

1 COUNCIL ON POSTSECONDARY EDUCATION

2 (Amended After Comments)

3 13 KAR 1:020. Private college licensing.

4 RELATES TO: KRS 164.020(37), 164.945, 164.946, ~~[164.947]~~ 164.992, 165A.320

5 STATUTORY AUTHORITY: KRS 164.947

6 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.947 requires the Council on  
7 Postsecondary Education by regulation to adopt standards and procedures for the licensing of  
8 colleges as defined in KRS 164.945. The functions to be implemented by this regulation are  
9 the procedure for a new college to apply for initial licensure, the procedure for site visits to  
10 colleges, the procedure for an already licensed college to apply for amendment to its current  
11 license, the standards a college shall meet in order to obtain and maintain a license, the  
12 procedure for licensed colleges to submit data to the Council, the procedure for a consumer  
13 to file a complaint against a licensed college, the procedure for the Council president to  
14 follow if a college is operating without a license in Kentucky, and the procedure for a college  
15 to appeal a decision by the Council president. ~~[This administrative regulation is~~  
16 ~~promulgated pursuant to KRS 164.945 to 164.947 and 164.992 which require that the Council on~~  
17 ~~Postsecondary Education license nonpublic institutions to protect bona fide institutions and to~~  
18 ~~protect citizens of the Commonwealth from fraudulent practices, unfair competition, or~~  
19 ~~substandard educational programs.]~~

20 Section 1. Definitions. The definitions contained in 13 KAR 1:040. Definitions for  
21 independent colleges. ~~[(1) "Accredited" means the approval of an accrediting agency.~~

1       (2) ~~"Accrediting agency means a national or regional agency which evaluates colleges and~~  
2   ~~is recognized by the United States Department of Education, the Council on Higher Education~~  
3   ~~Accreditation, or the Council on Postsecondary Education.~~

4       (3) ~~"Agent" means any person employed by a college to act as solicitor, broker, or~~  
5   ~~independent contractor to procure students for the college by solicitation in any form made at any~~  
6   ~~place other than the main campus of the college.~~

7       (4) ~~The definition of "College" is governed by KRS 164.945.~~

8       (5) ~~"In-state college" means a college that is chartered by, organized within, and has its~~  
9   ~~principal location in Kentucky.~~

10      (6) ~~"Out-of-state college" means a college that is chartered, organized, or has its principal~~  
11   ~~location outside Kentucky.~~

12      (7) ~~"Unearned tuition" means the excess of cumulative collections of tuition and other~~  
13   ~~instructional charges over the cumulative amount of earned tuition and other instructional charges~~  
14   ~~in accordance with the college's refund policy.]~~

15      Section 2. General Requirements. (1) An in-state or out-of-state college that is operating  
16   or soliciting [A college which offers courses or conducts academic programs] in Kentucky shall be  
17   licensed, but if a college is only operating or soliciting in Kentucky as defined in 13 KAR 1:010  
18   Section 1 (8)(c), (d) or (e) solely for on-ground instruction at a location outside of Kentucky in  
19   which students leave Kentucky to attend, then licensure shall not be required.

20      (2) An out-of-state college shall be licensed separately for each instructional site in  
21   Kentucky. An out-of-state college that is operating or soliciting using on-line instruction to  
22   Kentucky residents shall be considered to have an online campus which shall be licensed  
23   separately as an instructional site.

1 (3) A college awarding a certificate, diploma, associate degree, baccalaureate degree,  
2 master's degree, doctoral degree, or other degree, whether the degree is earned or honorary, shall  
3 be licensed. If a college's program is also required to be licensed or approved by another state  
4 agency as well as the Council on Postsecondary Education, the president shall attempt to  
5 coordinate the licensing function with that agency.

6 (4) A college shall offer only those ~~[degrees and degree]~~ programs, courses, and degrees,  
7 including honorary degrees, specifically authorized in the license. ~~[If a college is licensed to offer~~  
8 ~~specific courses, only those courses authorized in the license shall be offered.]~~

9 (5) If a college ceases offering a licensed program, course, or degree, then the college shall  
10 notify the president in writing and request that the program, course, or degree be removed from the  
11 college's license.

12 (6) Providing false or misleading information shall be grounds for denial of a license, or  
13 suspension or revocation of an existing license.

14 Section 3. Licensure Application Procedures. The application procedures are [The  
15 ~~following procedures shall be observed in considering applications for a license~~]:

16 (1) An application for a license shall be on the form entitled "Application for Licensure as  
17 an In-State, Non-Public Institution to Operate in the Commonwealth of Kentucky pursuant to 13  
18 KAR 1:020" if an in-state college, or "Application for Licensure as an Out-of-State Institution to  
19 Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020" if an out-of-state college  
20 ~~[in the form and manner prescribed by the president]~~. Colleges not licensed as of the effective date  
21 of this administrative regulation shall submit an application for a license within sixty (60) working  
22 days. ~~[Providing false or misleading information on any application may be deemed as sufficient~~  
23 ~~grounds for denying licensure.]~~

(2) ~~An [Documents to accompany application. Each]~~ application shall be accompanied by copies of the following:

- (a) College charter;
- (b) College catalog;
- (c) College constitution and bylaws;
- (d) Student enrollment application;
- (e) Student contract or agreement; ~~[and]~~
- (f) Documentation of accreditation, licensure, or approval by appropriate agencies, and disclosure of any prior loss or denial of accreditation with dates and reason and loss or denial of licensure or approval by an agency in this state or another state with dates and reason; and
- (g) Disclosure of any former names of the college with dates.

~~[(3)]~~

Section 4. Site visits. (1) Within ninety (90) working [thirty (30)] days of the receipt of a full and complete application for a license, a supplementary application, or application for annual maintenance of license or renewal of license [renewal], the president may conduct, or may have conducted, a site visit [at the location or locations where the applicant college offers, or proposes to offer, courses of instruction]. Personnel conducting a site visit shall possess the expertise appropriate to the type of college to be visited. The purpose of a site visit shall be to make an assessment of a college using the standards for licensure as set forth in section 8 of this administrative regulation [the instructional program, library, faculty, student services, administration, financial status, facilities, and equipment and of such other factors which are of significance in determining the college's qualifications for licensure].

(2) The president may conduct, or may have conducted, an announced or unannounced site



1 visit of a licensed college during reasonable business hours to inspect the files, facilities, and  
2 equipment as well as conduct interviews to determine the college's compliance with this  
3 administrative regulation and KRS 164.945 - .947.

4 (3) Failure to provide full access to the college's files, facilities, and equipment or  
5 prevention of interviews shall be grounds for denial of a license, or suspension or revocation of an  
6 existing license.

7 (4) Cost of site visits. ~~[A college applying for a license, or license renewal, or a college to~~  
8 ~~which a site visit is necessary in order to administer KRS 164.945 to 164.947, may be required to~~  
9 ~~bear the cost of the site visit.]~~ Costs connected with a site visit and subsequent visits as may be  
10 necessary, such as travel, meals, lodging, and honoraria shall be [are] paid by the college. The  
11 estimated cost of the site visit shall be paid by the college prior to the site visit. [,and] The final  
12 settlement regarding actual expenses incurred shall be paid by the college no later than [made  
13 ~~within]~~ thirty (30) days following the site visit. Failure to pay these costs shall be grounds for  
14 denial of a license, or [may result in license] suspension or revocation of an existing license.

15 ~~[(5) New colleges. In the case of a proposed new college, the president may issue a license~~  
16 ~~if he determines that the college may reasonably be expected to meet the standards set forth in~~  
17 ~~these administrative regulations:~~

18 ~~(a) Within three (3) years if the college proposes to award a degree no higher than an~~  
19 ~~associate degree. Annual reports shall be submitted to the president demonstrating the progress~~  
20 ~~being made in meeting the licensure standards.~~

21 ~~(b) Within five (5) years if the college proposes to offer a baccalaureate or higher degree.~~  
22 ~~Annual reports shall be submitted to the president demonstrating the progress being made in~~  
23 ~~meeting the licensure standards.]~~

1        Section 5. Action on Licensure Application. (1) [~~(6)~~ Action on license applications.]

2        Within ninety (90) [~~thirty (30)~~] working days of the completion of the site visit, or within sixty (60)  
3        working days of the submission of a complete licensure [~~an~~] application where a site visit is not  
4        conducted, the president shall do one (1) of the following:

5            (a) Issue a license for a period of no less than one year, nor more than two (2) years [~~nor~~  
6        more than five (5) years];

7            (b) Deny the application for a license; [~~or~~]

8            (c) Notify the applicant college of deficiencies which must be corrected before a license  
9        can be issued; or

10          (d) The president may issue a conditional license in accordance with sub-section (2) of this  
11        section if a college has not met all of the standards for licensure at the time the application is filed,  
12        but the president determines the college is likely to meet the standards for licensure within a period  
13        not to exceed two (2) years.

14          (2) A conditional license shall not exceed a period of two (2) years and shall include the  
15        conditions a college shall meet in order for a college to progress toward and eventually meet the  
16        standards for licensure, including when the college shall report progress to the president and when  
17        the college shall be required to have satisfied all the conditions.

18          (a) A college's failure to satisfy the conditions within the timeframe specified by the  
19        president shall:

20            1. result in automatic revocation of the conditional license; or

21            2. result in an extension of the conditional license based on a determination by the  
22        president that the college is making progress in satisfying the conditions in response to a college's  
23        written request for an extension with supporting justification.

1        (b) If a college satisfies all the conditions with the timeframe specified, then the president  
2        shall issue a license in accordance with sub-section (1)(a) of this section.

3        ~~[(7) Failure to apply for a license. If a college which is subject to the provisions of this~~  
4        ~~administrative regulation fails to apply for a license, the president shall take the following~~  
5        ~~action:~~

6        (a) Notify the college by registered mail of the requirement to obtain a license;

7        ~~(b) If a license application is not received within sixty (60) days of notification, require~~  
8        ~~the chief administrative officer to appear for a hearing as provided in Section 9 of this~~  
9        ~~administrative regulation;~~

10        ~~(c) If the chief administrative officer does not appear for the hearing, refer the case to the~~  
11        ~~appropriate county attorney for enforcement.]~~

12        Section 6 [4]. ~~[License Renewal and]~~ Supplementary Application Procedures. (1) [A  
13        college shall apply for license renewal on the date specified in the license.

14        ~~(2) An application for license renewal, or]~~ A supplementary application~~[, in such form and~~  
15        ~~manner as may be prescribed by the president,]~~ shall be required from a licensed college as follows  
16        ~~[within thirty (30) days following any of these developments]:~~

17        (a) ~~[Scheduled expiration of the licensure period;~~

18        ~~(b)]~~ A “Supplementary Application for Change of Name of Institution pursuant to 13 KAR  
19        1:020” shall be required at least ninety (90) days prior to the effective date of a change in the name  
20        of a college;

21        ~~(b) [(e)]~~ A “Supplementary Application for Change of Location of Principal Location of a  
22        College or Location of a Licensed Instructional Site in Kentucky pursuant to 13 KAR 1:020” shall

1 be required at least ninety (90) days prior to the effective date of a change in the principal location  
2 of a college or the location of a licensed instructional site in Kentucky;

3 (c) [(d)] A “Supplementary Application for Change of Ownership or Governance pursuant  
4 to 13 KAR 1:020” shall be required at least (90) days prior to the effective date of a change in  
5 ownership or governance of a college;

6 (d) [(e)] A “Supplementary Application to Operate as an Out-of-State Institution in the  
7 Commonwealth of Kentucky Pursuant to 13 KAR 1:020” shall be submitted by an out-of-state  
8 college at least ninety (90) days prior to the effective date of a proposed addition of a certificate,  
9 diploma, degree program, major, or other concentration or specialty. If a college has only been  
10 licensed to offer a specific course or courses and proposes to offer an additional course, as opposed  
11 to an entire program, then the college shall submit the supplementary application at least ninety  
12 (90) days prior to the date the college proposes to begin offering the new course or courses. In the  
13 case of a new program, the college shall state if the new program is at a new degree level or is a  
14 significant departure from previously licensed programs for a licensed college. A significant  
15 departure is if the new program requires numbers of new faculty, many new courses, a new library  
16 or other resources, new equipment or facilities, or a new resources base [Proposed additions or  
17 deletions of degree programs or majors, and other concentrations and specialties];

18 (e) [(f)] A “Supplementary Application to Operate as an In-State Institution in the  
19 Commonwealth of Kentucky Pursuant to 13 KAR 1:020” shall be submitted by an in-state college  
20 at least ninety (90) days prior to the effective date of:

21 1. A proposed addition of a certificate, diploma, degree program, major, or other  
22 concentration or specialty:

23 a. in the case of a new program, the college shall state if the new program is at a new

1 degree level or is a significant departure from previously licensed programs for a licensed college,  
2 and

3 b. a significant departure is if the new program requires numbers of new faculty, many new  
4 courses, a new library or other resources, new equipment or facilities, or a new resources base; or

5 2. The establishment of an instructional site away from the main campus of an in-state  
6 college for the purpose of offering courses for college credit which comprise at least twenty-five  
7 (25) percent of the course requirements for a degree program;

8 (f) A college shall submit a "Supplementary Application for Administrative Site,  
9 Recruitment Office, or Advising Center pursuant to 13 KAR 1:020" at least ninety (90) days prior  
10 to the establishment of an administrative site, recruitment office, or advising center in Kentucky, or  
11 the change of location of a licensed administrative site, recruitment office, or advising center in  
12 Kentucky, where the site, office, or center is not part of a licensed instructional site or proposed  
13 instructional site for which the college is seeking licensure;

14 (g) A college shall submit a "Supplementary Application for Notification of Change in  
15 Accreditation or Licensure Status pursuant to 13 KAR 1:020" within thirty (30) days following  
16 action by an accrediting agency or another state licensing agency which results in:

17 1. a college being placed in a probationary status [~~for more than one (1) year~~];

18 2. a college losing [~~or which results in the loss of the college's~~] accreditation or licensure;

19 or

20 3. a college being denied accreditation or licensure; or

21 (h) a determination by the president that other sufficient cause exists which requires a  
22 supplementary application [~~or an application for license renewal~~].

23 (2) [(3)] If the president determines that a supplementary application is required under sub-

1 section (1)(h) of this section, then the president shall send a letter to the college stating the reason  
2 that a supplementary license application is required.

3 (3) The president may conduct, or may have conducted, a site visit as part of the  
4 supplementary application process in accordance with section 4 of this administrative regulation.

5 (4) Failure to submit a complete and accurate supplementary application, where required,  
6 may be sufficient cause for denial of a license, or suspension or revocation of an existing license,  
7 and the president shall notify the college by registered mail, return receipt, of the denial,  
8 suspension, or revocation of the college's license.

9 Section 7. Action on Supplementary Applications. [~~Action on license renewal and~~  
10 ~~supplementary applications.~~] Within thirty (30) working days of the submission of a complete  
11 ~~[license renewal or]~~ supplementary application where a site visit is not conducted, or within ninety  
12 (90) working days of the completion of a site visit, the president shall do one (1) of the following:

13 (1) [(a) renew the license for a period of no less than five (5) years nor more than ten (10)  
14 years;

15 (b)] Approve the supplementary application and amend the current license without  
16 changing the renewal date;

17 (2) [(c)] Deny the [renewal or] supplementary application without amendment to the  
18 college's license;

19 (3) Suspend or revoke a college's license; or

20 (4) [(d)] Notify the applicant college of deficiencies which must be corrected before the  
21 supplementary application can be approved and a license can be amended [issued].

22 Section 8. Standards for Licensure. A college shall meet the following requirements and  
23 standards in order to be licensed:

1        (1) Financial requirements. The college shall adhere to generally accepted accounting  
2        practices and present evidence of financial stability, including the following:

3        (a) Financial statements including:

4        1. a statement of financial position of unrestricted net assets and liabilities, including  
5        foundation and trust agreements;

6        2. an audit report prepared by an independent certified public accountant for each  
7        corporation of the college; and

8        3. if available, audit reports for the past three (3) years;

9        (b) The name of a bank or other financial institution used by the college as a reference;

10       (c) A statement from the Kentucky Higher Education Assistance Authority related to  
11       programs administered by that agency and from the United States Department of Education related  
12       to programs administered by that department that the college is in good standing; and

13       (d) an annual operating budget for the college.

14       (2) Agents. A college shall be responsible for the actions of its agents.

15       (3) Guarantee of refund of unearned tuition. A college shall guarantee the refund of any  
16       unearned tuition held by the college as follows:

17       (a) An in-state college shall:

18       1. Secure and maintain a surety bond equal to or in excess of the largest amount of  
19       unearned tuition held by the college at any time during the most recently completed fiscal year,  
20       executed by a surety company qualified and authorized to do business in Kentucky, and made  
21       payable to the Council on Postsecondary Education;

22       2. Maintain an unrestricted endowment equal to or in excess of the largest amount of  
23       unearned tuition held by the college at any time during the most recently completed fiscal year; or



1        3. Provide a letter of credit equal to or in excess of the largest amount of unearned tuition  
2        held by the college at any time during the most recently completed fiscal year; or

3        (b) An out-of-state college shall secure and maintain a surety bond equal to or in excess of  
4        the largest amount of unearned tuition held by the college at any time during the most recently  
5        completed fiscal year, executed by a surety company qualified and authorized to do business in  
6        Kentucky, and made payable to the Council on Postsecondary Education.

7        (c) A college applying for a license for the first time shall estimate the amount of unearned  
8        tuition based on projected enrollment and tuition and other instructional charges.

9        (d) A college shall provide a statement from an independent certified public accountant  
10       confirming that the college is in compliance with sub-section (3) of this section.

11       (4) Notice required.

12       (a) If a surety bond is terminated, a college shall notify the president and the license shall  
13       automatically expire with the bond unless a replacement bond is provided without a lapse in  
14       bonding.

15       (b) An in-state college using an unrestricted endowment or letter of credit to satisfy the  
16       provisions of sub-section (3) of this section shall notify the president if the unrestricted endowment  
17       or letter of credit falls below the required amount, and the college shall obtain a surety bond for the  
18       required amount.

19       (5) Personnel requirements.

20       (a) The college shall furnish information regarding the administrative officers, the  
21       directors, the owners, and the faculty.

22       (b) The chief administrator shall hold at least an earned baccalaureate degree from an  
23       accredited or licensed college and shall have sufficient experience to qualify for the position.



1        (c) Faculty members shall possess academic, scholarly, and teaching qualifications usually  
2        required for faculty in accredited colleges that offer degrees at comparable levels.

3        (d) There shall be a sufficient number of full-time faculty to ensure continuity and stability  
4        of the educational program.

5        (e) Teaching loads of faculty members shall be consistent with recognized educational  
6        practices, and shall be appropriate to the field, the variety of courses assigned, class size, and other  
7        related factors.

8        (6) Facilities and equipment.

9        (a) An instructional program shall not be conducted in substandard facilities.

10       (b) Enrollment shall not exceed the design characteristics of the facilities.

11       (c) A college shall have facilities and equipment that are:

12       1. maintained and operated in compliance with the safety and health requirements set forth  
13       in local, city, and county ordinances, and federal and state law; and

14       2. adequate and appropriate for instruction in classrooms and laboratories.

15       (7) Library resources. The library shall be appropriate to support the programs offered by  
16       the college:

17       (a) A college, through ownership or formal agreements, shall provide and support student  
18       and faculty access to adequate library collections, and to other learning and information resources  
19       where courses and programs are offered. Library resources shall be appropriate to the degree level  
20       offered by the college, and shall be sufficient to support all educational, research, and public  
21       service programs.

22       (b) A college that does not provide its own library facilities, but instead relies on another  
23       institution, shall demonstrate that it has permission to utilize the resources of another institution, by

1 providing a copy of the written agreement to the president at the time of license application, and  
2 prior to the offering of any courses.

3 (c) A college that is dependent on another college or library for library resources shall  
4 make the extent of the dependence and the details of the agreements clear both to the president and  
5 to students and faculty.

6 (d) Library expenditures, expressed as a percentage of the total educational and general  
7 budget, shall be consistent with the percentage of library expenditures commonly observed in  
8 accredited colleges of similar types;

9 (e) A professionally trained and competent library staff, adequate to serve the needs of the  
10 students and to support the educational program, shall be provided;

11 (f) Sufficient seating and work space for a reasonable proportion of the faculty and  
12 students to be accommodated at one (1) time shall be provided; and

13 (g) The physical environment of the library shall be conducive to reflective intellectual  
14 pursuits common to institutions of higher learning .

15 (8) Curriculum. Earned degrees awarded by a college shall be bona fide academic  
16 degrees and the courses offered in degree programs shall be of collegiate quality as determined by  
17 the president using the following criteria:

18 (a) A course offered in a degree program shall be consistent with a course that is generally  
19 transferable for credit among accredited colleges where the program is at a corresponding degree  
20 level, or for credit toward the baccalaureate degree if a program is at the associate degree level.  
21 Provided however, a course may be offered that is not transferable based on the uniqueness of a  
22 program, or for another valid educational reason.

23 (b) A college shall require a minimum of:

1        1. sixty (60) student credit hours for an associate degree;

2        2. one hundred twenty (120) student credit hours for a baccalaureate degree; or

3        3. thirty (30) student credit hours for a post-baccalaureate, graduate, or first professional  
4        degree.

5        (c) A minimum of twenty-five (25) percent of the student credit hours required for a  
6        degree shall be earned through instruction offered by the college awarding the degree. Provided,  
7        however, that the twenty-five (25) percent requirement may be met through a joint, cooperative, or  
8        consortia agreement in which the instruction is offered by a college that is a party to the agreement  
9        and that is licensed by the Council on Postsecondary Education or that is a state-supported  
10       postsecondary education institution created by KRS 164.001.

11       (d) A majority of the student credit hours required for a graduate degree may be met  
12       through a joint, cooperative or consortia agreement in which the instruction is offered by a college  
13       that is a party to the agreement and that is licensed by the Council on Postsecondary Education or  
14       that is a state-supported postsecondary education institution created by KRS 164.001.

15       (e) A college shall have a systematic program of curriculum revision in order to maintain  
16       the general standards of accredited colleges with similar programs.

17       (f) A college shall have a program of evaluation that includes a periodic assessment of the  
18       changes in student achievement.

19       (9) General education.

20       (a) A minimum of fifteen (15) student credit hours for associate degree programs, and thirty  
21       (30) student credit hours for baccalaureate degree programs shall be earned in general education,  
22       including science-mathematics, social and behavioral sciences, and humanities. A college which  
23       offers an interdisciplinary general education program, a block-type program, or other unique

1 general education program shall be considered to be in compliance with the general education  
2 requirement if the president determines that the program content and distribution are appropriately  
3 related to the degree and institutional purposes.

4 (b) A new college, and any existing college which initiates a new associate degree or  
5 baccalaureate degree program or major, or other concentration or specialty, after the effective date  
6 of this administrative regulation, shall comply fully from the outset with the general education  
7 requirements.

8 (10) Program supervision and instructional support. Regardless of location, type of  
9 program, method of instruction, or other characteristics, an instructional program for which degree  
10 credit is awarded shall include the following:

11 (a) Adequate supervision by the college; and

12 (b) Other instructional support as may be required to maintain a program of acceptable  
13 quality.

14 (11) Truth in advertising. A college shall observe the following standards in its  
15 advertising:

16 (a) Advertisements, announcements, and promotional material of any kind which are  
17 distributed in Kentucky shall not contain any statements that are untrue, deceptive, or misleading  
18 with respect to the college, its personnel, its services, or the content, accreditation status, and  
19 transferability of its courses or degree programs.

20 (b) Advertisements, announcements, or other materials produced by or on behalf of the  
21 college shall not indicate that the college is "supervised," "recommended," "endorsed," or  
22 "accredited" by the Commonwealth of Kentucky, by the Council on Postsecondary Education, or  
23 by any other state agency. A statement using the name of the Council on Postsecondary

1 Education, if any, shall be in exactly the following form: "(Name of College) is licensed by the  
2 Kentucky Council on Postsecondary Education."

3 (12) Recruitment and enrollment procedures. A college shall furnish the following to each  
4 student prior to enrollment:

5 (a) The college's policies on grades, attendance, and conduct;

6 (b) A description of the instructional program;

7 (c) A detailed schedule of all charges, rentals, and deposits;

8 (d) The schedule of refunds of all charges, rentals, and deposits; and

9 (e) The student enrollment application, contract, or agreement.

10 (13) Student affairs.

11 (a) Students admitted to the college shall have completed a state-approved secondary  
12 school program or its equivalent.

13 (b) A student admitted to an instructional program shall have demonstrated a readiness for  
14 such instruction in the field or specialty, and the student's preparation, aptitude, and interest shall  
15 be determined to provide reasonable assurance that the student has the potential to benefit from the  
16 instruction offered.

17 (c) The college shall provide academic counseling by faculty or staff to each student at the  
18 time of admission and throughout the program.

19 (d) The college shall make assistance and counseling available to each student who  
20 completes a technical or vocational program for the purpose of assisting the student with an  
21 appropriate job placement or with transfer.

22 (e) The college shall maintain sufficient records for each student to provide an  
23 understanding of his background, to record his progress through the instructional program, and for

1 reference purposes.

2 (f) Administrative officers of the college shall be knowledgeable of the federal and state  
3 laws and administrative regulations concerning the disclosure of student information and shall  
4 comply with such laws and administrative regulations.

5 (g) A college shall make adequate provision for the maintenance of student records in the  
6 event the college ceases operations. The location of student records shall be approved in advance  
7 by the president.

8 (14) College policies.

9 (a) The college shall maintain records in an orderly manner and make them available for  
10 inspection by the president or his designated representative.

11 (b) A catalog shall be published and distributed at least every two (2) years and shall  
12 include general information, administrative policies, and academic policies of the college as  
13 indicated below:

14 1. General information.

15 a. Official name and address of the college, name of the chief administrative officers,  
16 members of the governing body, and names of principal owners.

17 b. The college's calendar for the period covered by the catalog including beginning and  
18 ending dates of each term or semester, registration and examination dates, legal holidays, and other  
19 important dates.

20 c. Names of faculty, including relevant education and experience.

21 d. Full disclosure of the philosophy and purpose of the college and its capacity to fulfill  
22 these objectives.

23 2. Administrative policies.

1        a. Admissions policies and procedures, applicable to the various programs, including  
2        policies regarding granting of credit for previous education.

3        b. Policies and procedures regarding student conduct and behavior and the process for  
4        dealing with cases which culminate in probation or dismissal.

5        c. Schedules for all tuition and instructional charges, and refund schedules for such tuition  
6        and instructional charges.

7        d. Statement of financial aid available to students.

8        e. Procedures for obtaining transcripts in a timely fashion and at reasonable cost.

9        3. Academic policies.

10       a. Policy on class attendance.

11       b. Description of grading system.

12       c. Description of the degree, diploma, certificate, and other programs, including the course  
13       requirements and the time normally required to complete each.

14       d. Full description of the nature and objectives of all degrees offered.

15       (c) Refund policy on tuition and other instructional charges. The refund policy shall meet  
16       the following minimum requirements:

17       1. If tuition and other instructional charges are collected in advance of enrollment and the  
18       student fails to enroll, then not more than \$100, or not more than ten (10) percent of the tuition and  
19       other instructional charges for a term or semester, whichever is less, shall be retained by the  
20       college.

21       2. Tuition and other instructional charges ordinarily shall be charged by the enrollment  
22       period, and the student shall not be obligated for tuition or other instructional charges relating to an  
23       enrollment period that had not begun when the student withdrew. However, the president may

1 approve program tuition for specific programs at a college if a student may only enroll at the  
2 beginning of the program sequence and must remain in phase. If program tuition is approved, the  
3 college shall refund tuition and other instructional charges in accordance with its published refund  
4 policy that considers both the coursework completed prior to withdrawal and the coursework that  
5 remains.

6 3. If a student withdraws from the college, or if a student fails to attend classes for a period  
7 of thirty (30) days during which classes are in session, the college shall officially withdraw the  
8 student from the college and shall refund an amount reasonably related to the period for which the  
9 student is not enrolled and shall refund 100 percent of all other tuition and other fees collected by  
10 the college for subsequent enrollment or registration periods unless the student is enrolled in a  
11 program for which program tuition is charged as specified in subparagraph 2 of this paragraph.

12 a. After completion of fifty (50) percent of the enrollment period, the college is not  
13 required to make refunds of tuition or other fees for that period.

14 b. In all other cases, including illness or accident, the college shall make a settlement  
15 which is fair and reasonable.

16 c. Refunds shall be made within thirty (30) days after notification of withdrawal has been  
17 received by the college.

18 4. Notwithstanding the provisions as set forth herein, if a college is accredited by an  
19 accrediting agency which has a specific refund policy which is more favorable to the student, then  
20 such policy shall be followed.

21 5. An out-of-state college shall refund in accordance with the policies indicated herein  
22 unless its policy is more favorable to the student, in which case the latter shall be followed.

23 Section 9. Failure to Apply For A License.



1       (1) If a college which is subject to this administrative regulation fails to apply for a license,  
2       the president shall notify the college by registered mail of the requirement to obtain a license.

3       (2) If a license application is not then received within sixty (60) days of notification by the  
4       president, the president shall require the chief administrative officer to appear for a hearing as  
5       provided in Section 14 of this administrative regulation.

6       (3) If the chief administrative officer does not appear for the hearing, the president may  
7       refer the case to the appropriate county attorney for enforcement.

8       Section 10 [5]. Annual Maintenance of a College's License and Renewal of a College's  
9       License [Reports]. (1) A college [colleges] shall submit an "Application for Annual Maintenance  
10      of License or for Renewal of License pursuant to 13 KAR 1:020" [annual-report] to the president  
11      in accordance with subsection (2) of this section, and shall contain the following information:

12      ~~[. (1) The annual report for in-state colleges shall contain the following:]~~

13      (a) Financial Information.

14      1. A statement [Statements] from the Kentucky Higher Education Assistance Authority  
15      related to programs administered by that agency and from the United States Department of  
16      Education related to programs administered by that department that the college is in good standing;

17      2. [(b)] A statement prepared by an independent certified public accountant confirming  
18      that the college is in compliance with sub-section (3) of section 8; and

19      ~~[. 1. the amount of the surety bond coverage is equal to or in excess of the largest amount~~  
20      ~~of unearned tuition held by the college at any time during the most recently completed fiscal year;~~  
21      ~~or~~

22      ~~2. the amount of the college's unrestricted endowment is equal to or in excess of the largest~~  
23      ~~amount of unearned tuition held by the college at any time during the most recently completed~~

1   fiscal year; or

2           ~~3. the letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
3   ~~by the college at any time during the most recently completed fiscal year; or~~

4           ~~4. any combination of surety bond coverage, unrestricted endowment, and letter of credit is~~  
5   ~~equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
6   ~~during the most recently completed fiscal year.]~~

7           3. Financial statement including assets and liabilities and an audit report prepared by an  
8   independent certified public accountant within the last year;

9           (b) Institutional Information.

10          1. Name and address of college;

11          2. Chief Executive Officer's name, title, address, phone number, fax number, and email  
12   address;

13          3. Institutional liaison's name, title, address, phone number, fax number, and email  
14   address;

15          4. [(e)] A current list of the college's agents;

16          5. Copies of articles of incorporation, charter, constitution, and by-laws if there have been  
17   any changes to the documents within the last year; and

18          6. Copy of any articulation agreement the college has with a Kentucky licensed college or  
19   state-supported institution entered into or changed within the last year;

20          (c) Accreditation Status.

21          1. If the college is accredited by an accrediting agency, then the college shall provide  
22   verification of the college's accreditation status.

23          2. If the college is not accredited by an accrediting agency, then the college shall indicate if,

1 when, and from whom the college will seek accreditation:

2 (d) Tuition for current enrollment period per credit hour, specifying semester hour, quarter  
3 hour, or other basis, and per full-time student:

4 (e) A copy of the college's current catalog:

5 (f) For an in-state college, a list of all licensed instructional sites away from the main  
6 campus of an in-state college for the purpose of offering courses for college credit which comprise  
7 at least twenty-five (25) percent of the course requirements for a degree program, including the  
8 name and title of the primary contact of the off-campus site, address, phone number, and program  
9 or programs by CIP code offered at the site, or course or courses if not offering an entire degree  
10 program at the site:

11 (g) Program Information.

12 1. Changes, if any, in program requirements for each program within the last year including  
13 admission requirements, courses required, the number of credit hours required for the program or  
14 major:

15 2. Results of the most recent program evaluation:

16 3. Methods used to assess student achievement:

17 4. Results of the most recent assessment of student achievement; and

18 5. A list of programs withdrawn within the last year in which there are no longer students  
19 enrolled including program title, degree level, CIP code, and address where the program is no  
20 longer being offered:

21 (h) Faculty Information. Vitae for each program faculty member employed within the last  
22 year:

23 (i) Facilities Information. Verification of compliance with all applicable local, state, and

1 federal safety and fire codes; and

2 (j) Library information regarding the library collection and budget, and lease, contract, or  
3 letter of agreement authorizing use of other library collection, if any.

4 (2) (a) A college whose license expires by July 1, 2010 shall complete and submit the  
5 “Application for Annual Maintenance of License or for Renewal of License pursuant to 13 KAR  
6 1:020” for maintenance of its license by May 1, 2010. If that college’s license is subsequently  
7 renewed, then the college shall complete the “Application for Annual Maintenance of License or  
8 for Renewal of License pursuant to 13 KAR 1:020” in accordance with subsection (2)(b) of this  
9 section thereafter.

10 (b) A college whose license expires after July 1, 2010 shall complete the “Application for  
11 Annual Maintenance of License or for Renewal of License pursuant to 13 KAR 1:020” by April 1  
12 of every year beginning April 1, 2011.

13 (3) The president may conduct, or may have conducted, a site visit as part of the annual  
14 maintenance of a license or renewal of a license process in accordance with section 4 of this  
15 administrative regulation.

16 (4) Within ninety (90) working days of the submission of a complete and accurate  
17 “Application for Annual Maintenance of License or for Renewal of License pursuant to 13 KAR  
18 1:020” where a site visit is not conducted, or within ninety (90) working days of the completion of  
19 a site visit, the president shall:

20 (a) notify the college of any deficiencies which must be corrected before the college’s  
21 license can be maintained or renewed;

22 (b) deny maintenance or renewal of the college’s license;

23 (c) maintain the college’s license without changing the college’s license renewal date; or

1        (d) renew the college's license to June 30 of the next year.

2        (5) A college's failure to submit a complete and accurate "Application for Annual  
3 Maintenance of License or for Renewal of License pursuant to 13 KAR 1:020" shall be grounds  
4 for denial of a license, or suspension or revocation of an existing license, and the president shall  
5 notify the college by registered mail, return receipt, of the denial, suspension, or revocation of the  
6 college's license.

7        ~~[(d) The student headcount enrollment for the fall term in each licensed program submitted~~  
8 ~~through the Council on Postsecondary Education data collection system; and~~

9        ~~(e) The number of students completing each licensed program submitted through the~~  
10 ~~Council on Postsecondary Education data collection system.~~

11        ~~(2) The annual report for the Kentucky site of out-of-state colleges shall contain the~~  
12 ~~following:~~

13        ~~(a) Statements from the Kentucky Higher Education Assistance Authority related to~~  
14 ~~programs administered by that agency and from the United States Department of Education related~~  
15 ~~to programs administered by that department that the college is in good standing.~~

16        ~~(b) A statement prepared by an independent certified public accountant confirming that:~~

17        ~~1. The amount of the surety bond coverage is equal to or in excess of the largest amount of~~  
18 ~~unearned tuition held by the college at any time during the most recently completed fiscal year; or~~

19        ~~2. The amount of the college's unrestricted endowment is equal to or in excess of the largest~~  
20 ~~amount of unearned tuition held by the college at any time during the most recently completed~~  
21 ~~fiscal year; or~~

22        ~~3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
23 ~~by the college at any time during the most recently completed fiscal year; or~~

1           4. ~~Any combination of surety bond coverage, unrestricted endowment, and letter of credit~~  
2 ~~is equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
3 ~~during the most recently completed fiscal year.~~

4           ~~(c) A current list of the college's agents;~~

5           ~~(d) The student headcount enrollment for the fall term in each licensed program submitted~~  
6 ~~on forms provided by the president; and~~

7           ~~(e) The number of students completing each licensed program submitted on forms provided~~  
8 ~~by the president.]~~

9           Section 11. Required Data Submission. (1) A licensed college shall submit student  
10 attendance and performance data in an electronic format. The required data fields, the format and  
11 method of submission, and the dates for submission shall be in accordance with the "Licensure  
12 Compliance Reporting Manual."

13           (2) The president may conduct, or may have conducted, a site visit as part of the data  
14 submission process in accordance with section 4 of this administrative regulation.

15           (3) A college's failure to submit complete, timely, and accurate data may be sufficient  
16 grounds for denial of a license, or suspension or revocation of an existing license, and the president  
17 shall notify the college by registered mail, return receipt, of the denial, suspension, or revocation of  
18 the college's license.

19           Section 12 [6]. License Expiration.

20           (1) A license shall automatically expire [within sixty (60) days] following any of these  
21 developments:

22           (a) [(1) A license renewal application is not submitted];

23           [(2)] An in-state college ceases operating or soliciting [operation]; or

1           (b) [(3)] An out-of-state college ceases operating or soliciting ~~[operation at a Kentucky~~  
2 ~~site]~~.

3           (2) A college that ceases operating or soliciting shall comply with sub-section (14)(g) of  
4 section 8 of this administrative regulation and KRS 164.020 (23).

5           ~~[Section 7. Standards for Licensure. The president may determine that an in-state college~~  
6 ~~meets the standards and requirements of this section if the college has been accredited by an~~  
7 ~~accrediting agency. The president shall determine that the following requirements or standards are~~  
8 ~~met in considering applications for a license and for license renewal:~~

9           ~~(1) Financial stability. The college shall adhere to generally accepted accounting practices~~  
10 ~~and present evidence of financial stability, including the following:~~

11           ~~(a) A financial statement including assets and liabilities and the audit report of an~~  
12 ~~independent certified public accountant for each corporation of the college;~~

13           ~~(b) The name of a bank or other financial institution college as reference; and~~

14           ~~(c) statements from the Kentucky Higher Education Assistance Authority related to~~  
15 ~~programs administered by that agency and from the United States Department of Education related~~  
16 ~~to programs administered by that department that the college is in good standing~~

17           ~~(2) A college shall be responsible for the actions of its agents;~~

18           ~~and shall guarantee the refund of any unearned tuition held by the college in one (1) of the~~  
19 ~~following ways:~~

20           ~~(a) Maintain a surety bond which shall be executed by a surety company qualified and~~  
21 ~~authorized to do business in Kentucky and shall be made payable to the Council on Postsecondary~~  
22 ~~Education; or~~

23           ~~(b) Maintain an unrestricted endowment; or~~

1           ~~(e) Provide a letter of credit.~~

2           ~~(d) An in-state college shall provide a statement by an independent certified public~~  
3 ~~accountant confirming that:~~

4           ~~1. the amount of the surety bond coverage is equal to or in excess of the largest amount of~~  
5 ~~unearned tuition held by the college at any time during the most recently completed fiscal year; or~~

6           ~~2. The unrestricted endowment is equal to or in excess of the largest amount of unearned~~  
7 ~~tuition held by the college at any time during the most recently completed fiscal year; or~~

8           ~~3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
9 ~~by the college at any time during the most recently completed fiscal year; or~~

10          ~~4. Any combination of surety bond coverage, unrestricted endowment, and letter of credit~~  
11 ~~is equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
12 ~~during the most recently completed fiscal year.~~

13          ~~(e) An out-of-state college shall provide a statement by an independent certified public~~  
14 ~~accountant confirming that for the Kentucky site or sites:~~

15          ~~1. The amount of the surety bond coverage is equal to or in excess of the largest amount of~~  
16 ~~unearned tuition held by the college at any time during the most recently completed fiscal year; or~~

17          ~~2. The unrestricted endowment is equal to or in excess of the largest amount of unearned~~  
18 ~~tuition held by the college at any time during the most recently completed fiscal year; or~~

19          ~~3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
20 ~~by the college at any time during the most recently completed fiscal year; or~~

21          ~~4. Any combination of surety bond coverage, unrestricted endowment, and letter of credit~~  
22 ~~is equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
23 ~~during the most recently completed fiscal year.~~



1           ~~(f) A college applying for a license for the first time shall estimate the amount of unearned~~  
2           ~~tuition based on projected enrollment and tuition and other instructional charges.~~

3           ~~(g) If the surety bond is terminated, the college shall notify the president and the license~~  
4           ~~shall automatically expire with the bond unless a replacement bond is provided without a lapse in~~  
5           ~~bonding.~~

6           ~~(h) If the unrestricted endowment falls below the required amount, the college shall notify~~  
7           ~~the president and the college shall obtain a surety bond for the amount of coverage or a letter of~~  
8           ~~credit, which in combination with the unrestricted endowment, is equal to or in excess of the~~  
9           ~~largest amount of unearned tuition held by the college in the most recently completed fiscal year.~~

10          ~~(3) Personnel requirements. (a) The college may be required to furnish information~~  
11          ~~regarding the administrative officers, the directors, the owners, and the faculty.~~

12          ~~(b) The chief administrator shall hold at least an earned baccalaureate degree from an~~  
13          ~~accredited or licensed college and shall have sufficient experience to qualify for the position.~~

14          ~~(c) Faculty members shall possess academic, scholarly, and teaching qualifications usually~~  
15          ~~required for faculty in accredited colleges which offer degrees at comparable levels.~~

16          ~~(d) There shall be a sufficient number of full-time faculty to insure continuity and stability~~  
17          ~~of the educational program.~~

18          ~~(e) Teaching loads of faculty members shall be consistent with recognized educational~~  
19          ~~practices, and shall be appropriate to the field, the variety of courses assigned, class size, and other~~  
20          ~~related factors.~~

21          ~~(4) Facilities and equipment.~~

22          ~~(a) The college shall be maintained and operated in compliance with the safety and health~~  
23          ~~requirements set forth in local, city, and county ordinances, and federal and state law, including~~

1 rules and administrative regulations adopted pursuant thereto.

2 (b) Adequate and appropriate space shall be maintained for instruction in classrooms and  
3 laboratories.

4 Enrollment shall not exceed the design characteristics of the facilities. The instructional  
5 program shall not be conducted in substandard facilities and the quality and quantity of equipment  
6 shall be adequate and appropriate for the program.

7 (5) Library. The library shall be appropriate to support the programs offered by the  
8 college:

9 (a) The collection of books, periodicals, newspapers, teaching aids, and other instructional  
10 materials, and equipment shall be adequate for the needs of the educational program, shall be  
11 appropriately housed, and shall be readily accessible to the faculty and students.

12 (b) A program for continuous acquisition of current library materials and for the recording  
13 of all library holdings shall be clearly outlined and maintained.

14 (c) Library expenditures, expressed as a percentage of the total educational and general  
15 budget, shall be consistent with the percentage of library expenditures commonly observed in  
16 accredited colleges of similar types.

17 (d) A professionally trained and competent library staff, adequate to serve the needs of the  
18 students and to support the educational program, shall be provided.

19 (e) Sufficient seating and work space for a reasonable proportion of the faculty and  
20 students to be accommodated at one (1) time shall be provided.

21 (f) The physical environment of the library shall be conducive to reflective intellectual  
22 pursuits common to institutions of higher learning.

23 (g) a college which does not provide its own library facilities and must rely on other

1 institutions to provide library resources shall demonstrate that permission to utilize library  
2 resources has been obtained prior to implementation of its programs. The extent of dependence on  
3 other libraries shall be clearly stated and the nature and details of the agreements or contracts with  
4 the participating libraries shall be explained and exhibited. The details of the contractual  
5 agreements with other libraries must meet the criteria outlined in the above standards.

6 ~~(6) Curriculum. Earned degrees shall be bona fide academic degrees and the courses~~  
7 ~~offered in degree programs shall be of collegiate quality as determined by the president using the~~  
8 ~~following criteria:~~

9 ~~(a) Courses offered in degree programs shall be consistent with those generally~~  
10 ~~transferable for credit among accredited colleges in programs of corresponding degree levels, and~~  
11 ~~for credit toward the baccalaureate degree if such programs are at the associate degree level; or~~

12 ~~(b) Courses are not usually transferable because of the uniqueness of a program, or for~~  
13 ~~other valid educational reasons are determined to be of collective quality.~~

14 ~~A college shall not offer a master's degree, a doctoral degree, or any other graduate level degree, as~~  
15 ~~determined by the president, unless the college is accredited.~~

16 ~~(d) The college shall have a systematic program of curriculum revision in order to~~  
17 ~~maintain the general standards of accredited colleges with similar programs.~~

18 ~~(e) The college shall have a program of evaluation which includes a periodic assessment~~  
19 ~~of the changes in student achievement.~~

20 ~~(7) General education.~~

21 ~~(a) A reasonable percentage of the total credits comprising associate degrees and~~  
22 ~~baccalaureate degrees shall be earned in general education, including science mathematics, social~~  
23 ~~and behavioral sciences, and humanities. A college which offers an interdisciplinary general~~

1 education program, a block-type program, or other unique general education program shall be  
2 considered to be in compliance with the general education requirement if the president determines  
3 that the program content and distribution are appropriately related to the degree and institutional  
4 purposes.

5 (b) ~~A new college, and any existing college which initiates a new associate degree or~~  
6 ~~baccalaureate degree program or major, or other concentration or specialty, after the effective date~~  
7 ~~of these administrative regulations, shall comply fully from the outset with the general education~~  
8 ~~requirements.~~

9 ~~(8) Program supervision and instructional support. Regardless of location, type of~~  
10 ~~program, method of instruction, or other characteristics, an instructional program for which degree~~  
11 ~~credit is awarded shall include the following:~~

12 (a) ~~Adequate supervision by the college; and~~

13 (b) ~~Other instructional support as may be required to maintain a program of acceptable~~  
14 ~~quality.~~

15 ~~(9) Truth in advertising. A college shall observe the following standards in its advertising:~~

16 (a) ~~Advertisements, announcements, and promotional material of any kind which are~~  
17 ~~distributed in Kentucky shall not contain any statements that are untrue, deceptive, or misleading~~  
18 ~~with respect to the college, its personnel, its services, or the content, accreditation status and~~  
19 ~~transferability of its courses or degree programs.~~

20 (b) ~~Advertisements, announcements, or other materials produced by or on behalf of the~~  
21 ~~college shall not indicate that the college is "supervised," "recommended," "endorsed," or~~  
22 ~~"accredited" by the Commonwealth of Kentucky, by the Council on Postsecondary Education, or~~  
23 ~~by any other state agency. An advertising statement, if any, shall be in exactly the following form:~~

1 "(Name of College) is licensed by the Kentucky Council on Postsecondary Education."

2 ~~(10) Recruitment and enrollment procedures. A college shall furnish the following to each~~  
3 ~~student prior to enrollment:~~

4 ~~(a) The college's policies on grades, attendance, and conduct;~~

5 ~~(b) A description of the instructional program;~~

6 ~~(c) A detailed schedule of all charges, rentals, and deposits;~~

7 ~~(d) The schedule of refunds of all charges, rentals, and deposits; and~~

8 ~~(e) The student enrollment application, contract, or agreement.~~

9 ~~(11) Student affairs.~~

10 ~~(a) Students admitted to the college shall have completed a state-approved secondary~~  
11 ~~school program or its equivalent.~~

12 ~~(b) A student admitted to an instructional program shall have demonstrated a readiness for~~  
13 ~~such instruction in the field or specialty, and the student's preparation, aptitude, and interest shall~~  
14 ~~be determined to provide reasonable assurance that the student has the potential to benefit from the~~  
15 ~~instruction offered.~~

16 ~~(c) The college shall provide academic counseling by faculty or staff to each student at the~~  
17 ~~time of admission and throughout the program.~~

18 ~~(d) The college shall make assistance and counseling available to each student who~~  
19 ~~completes a technical or vocational program for the purpose of assisting the student with an~~  
20 ~~appropriate job placement or with transfer.~~

21 ~~(e) The college shall maintain sufficient records for each student to provide an~~  
22 ~~understanding of his background, to record his progress through the instructional program, and for~~  
23 ~~reference purposes.~~

1           ~~(f) Administrative officers of the college shall be knowledgeable of the federal and state~~  
2 ~~laws and administrative regulations concerning the disclosure of student information and shall~~  
3 ~~comply with such laws and administrative regulations.~~

4           ~~(g) A college which plans to cease operation in Kentucky shall make adequate provision~~  
5 ~~for the maintenance of student records. The location of student records shall be approved in~~  
6 ~~advance by the president.~~

7           ~~(h) The college shall establish suitable policies and procedures whereby a student is assured~~  
8 ~~of an appeal process that affords due process.~~

9           ~~(12) College policies.~~

10          ~~(a) The college shall maintain records in an orderly manner and make them available for~~  
11 ~~inspection by the president or his designated representative.~~

12          ~~(b) A catalog shall be published at least every two (2) years and shall include general~~  
13 ~~information, administrative policies, and academic policies of the college as indicated below:~~

14           ~~1. General information.~~

15           ~~a. Official name and address of the college, name of the chief administrative officers,~~  
16 ~~members of the governing body, and names of principal owners.~~

17           ~~b. The college's calendar for the period covered by the catalog including beginning and~~  
18 ~~ending dates of each term or semester, registration and examination dates, legal holidays, and other~~  
19 ~~important dates.~~

20           ~~c. Names of faculty, including relevant education and experience.~~

21           ~~d. Full disclosure of the philosophy and purpose of the institution and its capacity to fulfill~~  
22 ~~these objectives.~~

23           ~~2. Administrative policies.~~

1       a. ~~Admissions policies and procedures, applicable to the various programs, including~~  
2   ~~policies regarding granting of credit for previous education.~~

3       b. ~~Policies and procedures regarding student conduct and behavior and the process for~~  
4   ~~dealing with cases which culminate in probation or dismissal.~~

5       c. ~~Schedules for all tuition and instructional charges, and refund schedules for such tuition~~  
6   ~~and instructional charges.~~

7       d. ~~Statement of financial aid available to students.~~

8       e. ~~Procedures for obtaining transcripts in a timely fashion and at reasonable cost.~~

9       3. ~~Academic policies.~~

10      a. ~~Policy on class attendance.~~

11      b. ~~Description of grading system.~~

12      c. ~~Description of the degree, diploma, certificate, and other programs, including the course~~  
13   ~~requirements and the time normally required to complete each.~~

14      d. ~~Full description of the nature and objectives of all degrees offered.~~

15      (e) ~~Refund policy on tuition and other instructional charges. The refund policy shall meet~~  
16   ~~the following minimum requirements:~~

17          1. ~~If tuition and other instructional charges are collected in advance of enrollment and the~~  
18   ~~student fails to enroll, then not more than \$100, or not more than ten (10) percent of the tuition and~~  
19   ~~other instructional charges for a term or semester, whichever is less, shall be retained by the~~  
20   ~~college.~~

21          2. ~~Tuition and other instructional charges ordinarily shall be charged by the enrollment~~  
22   ~~period, and the student shall not be obligated for tuition or other instructional charges relating to an~~  
23   ~~enrollment period that had not begun when the student withdrew. However, the president may~~

1 approve program tuition for specific programs at a college if a student may only enroll at the  
2 beginning of the program sequence and must remain in phase. If program tuition is approved, the  
3 college shall refund tuition and other instructional charges in accordance with its published refund  
4 policy.

5 ~~3. If a student withdraws from the college, or if a student fails to attend classes for a period~~  
6 ~~of thirty (30) days during which classes are in session, the college shall officially withdraw the~~  
7 ~~student from the college and shall refund an amount reasonably related to the period for which the~~  
8 ~~student is not enrolled and shall refund 100 percent of all other tuition and other fees collected by~~  
9 ~~the institution for subsequent enrollment or registration periods unless the student is enrolled in a~~  
10 ~~program for which program tuition is charged as specified in subparagraph 2 of this paragraph.~~

11 ~~a. After completion of fifty (50) percent of the enrollment period, the college is not~~  
12 ~~required to make refunds of tuition or other fees for that period.~~

13 ~~b. In all other cases, including illness or accident, the college shall make a settlement~~  
14 ~~which is fair and reasonable.~~

15 ~~c. Refunds shall be made within thirty (30) days after notification of withdrawal has been~~  
16 ~~received by the college.~~

17 ~~4. Notwithstanding the provisions as set forth herein, if a college is accredited by an~~  
18 ~~accrediting agency which has a specific refund policy which is more favorable to the student, then~~  
19 ~~such policy shall be followed.~~

20 ~~5. An out-of-state college shall refund in accordance with the policies indicated herein~~  
21 ~~unless its policy is more favorable to the student, in which case the latter shall be followed.]~~

22 Section 13 [8]. Consumer Complaint Procedure.

23 (1) A person with a complaint or grievance involving misrepresentation against a college



1 licensed under these administrative regulations shall make a reasonable effort to resolve the  
2 complaint or grievance directly with the college. If a mutually satisfactory solution cannot be  
3 reached, the following procedure shall be followed:

4 (a) A person shall submit a written complaint ~~[(1) A written statement of the complaint~~  
5 ~~shall be submitted]~~ to the president which contains evidence relevant to the complaint and  
6 documentation that a reasonable effort was made to resolve the complaint directly with the college.

7 (b) The president may require an institution to file a written response setting forth the  
8 relevant facts concerning the consumer complaint, including a statement on the current status of  
9 the complaint, and any resolution of the complaint.

10 (c) [(2)] The president shall review the facts as presented and may intervene to bring the  
11 matter to a satisfactory conclusion through facilitation, but such facilitation shall not include legal  
12 action on behalf of any party.

13 ~~[(3)] If the president determines that the college may no longer be in compliance with the~~  
14 ~~provisions of this administrative regulation, the college may be required to document its continuing~~  
15 ~~compliance with this administrative regulation in the form and manner determined by the~~  
16 ~~president.]~~

17 Section 14 [9]. Hearings and Appeals.

18 (1) The president may, for cause, require the chief administrative officer, or other officers,  
19 of a college to appear for a hearing consistent with the provisions of KRS 13B.005 – 13B.170, in  
20 order to determine the facts if the president has determined that there is sufficient cause for a  
21 suspension or revocation of a license or placement of a college's license in a probationary status ~~in~~  
22 ~~the case~~].

23 (2) ~~[At such hearings,]~~ The officer, or other officers, of the college may be accompanied at

1 the hearing by counsel of their own choosing and at their expense.

2 (3) Within thirty (30) working days after a hearing is held, the president shall reach a  
3 determination and shall issue findings, in writing, to the council and to the chief executive officer  
4 of the college.

5 (4) If the findings warrant, the president may impose the sanctions authorized in this  
6 section.

7 ~~[(2) Sanctions. Probation, suspension of license, or revocation of license.]~~

8 (5) ~~[(a)]~~ If it is determined, on the basis of the procedures described herein, that the public  
9 interest requires that sanctions be imposed, the president may take one (1) or more of the following  
10 steps ~~[may be taken]~~:

11 (a) Impose one (1) of the following sanctions:

12 1. Place the college's license in a probationary status for a designated period not to exceed  
13 one (1) year while deficiencies are being corrected;

14 2. Suspend the college's license for a period not to exceed one (1) year; or

15 3. Revoke the college's license; or

16 (b) ~~[4.]~~ Refer the case to other officials for appropriate legal action.

17 (6) ~~[(b)]~~ A college which is sanctioned, whether such sanction is probation, suspension of  
18 license, or revocation of license, shall comply with the terms of such sanction.

19 (7) ~~[(c) Any expense incurred in site visits, and for other purposes related to the removal of~~  
20 ~~such sanctions, shall be borne by the college, notwithstanding the provisions of Section 3(4) of this~~  
21 ~~administrative regulation.~~

22 ~~(3)]~~ A college may appeal the actions of the president regarding the denial of issuance of a  
23 license or license renewal or the imposition of sanctions according to the following procedure:

(a) A college shall notify the president of the intent to appeal an action within fourteen (14) days of the receipt of the letter notifying the college of the action taken;

(b) The president shall request that the Office of Administrative Hearings appoint a hearing officer who shall conduct an administrative hearing consistent with the provisions of KRS 13B.005 – 13B.170. ~~[appoint a person to serve as the appeals officer];~~

(c) The appeal shall be presented in writing no later than sixty (60) days following the receipt of notification of intent to appeal. ~~[The appeal shall be considered on the written record alone;]~~

(d) The appeals officer shall review findings of fact, consider testimony, draw conclusions, and formulate a recommendation consistent with the facts and this administrative regulation;

(e) Within fourteen (14) days, the report of the appeals officer shall be forwarded to the college and to the president ~~[Chairman]~~ of the Council on Postsecondary Education;

(f) The president ~~[Council on Postsecondary Education]~~ shall act on the appeal at its next regular or special meeting; and

(g) The president ~~[council]~~ shall take one (1) of the following actions:

1. Issue a license;
2. Renew the license;
3. Impose one (1) of the sanctions authorized in this section; or
4. Refer the case to other officials for appropriate action.

(8) Any expense incurred for a site visit, and for other purposes related to the removal of such sanctions, shall be borne by the college.

#### Section 15. License Fees.

(1) The president shall assess a fee in accordance with the “Kentucky Licensure Fee

1 Schedule” that is incorporated by reference herein.

2 (2) The president may adjust a license fee based upon the consumer price index or other  
3 appropriate indicator.

4 (3) Failure to pay a fee shall be sufficient grounds for denial of a license, or suspension or  
5 revocation of an existing license.

6 Section 16. Incorporation by Reference. (1) The following material is incorporated by  
7 reference:

8 (a) “Application for Licensure as an In-State, Non-Public Institution to Operate in the  
9 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”, November 2009;

10 (b) “Application for Licensure as an Out-of-State Institution to Operate in the  
11 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”, November 2009;

12 (c) “Supplementary Application for Change of Name of Institution Pursuant to 13  
13 KAR 1:020”, November 2009;

14 (d) “Supplementary Application for Change of Location of Principal Location of a  
15 College or Location of a Licensed Instructional Site in Kentucky Pursuant to 13 KAR 1:020”,  
16 November 2009;

17 (e) “Supplementary Application for Change of Ownership or Governance pursuant to  
18 13 KAR 1:020”, November 2009;

19 (f) “Supplementary Application to Operate as an Out-of-State Institution in the  
20 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”, November 2009;

21 (g) “Supplementary Application to Operate as an In-State Institution in the  
22 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”, November 2009;

23 (h) “Supplementary Application for Administrative Site, Recruitment Office, or

1 Advising Center Pursuant to 13 KAR 1:020”, November 2009:  
2 (i) “Supplementary Application for Notification of Change in Accreditation or  
3 Licensure Status Pursuant to 13 KAR 1:020”, November 2009:  
4 (j) “Application for Annual Maintenance of License or for Renewal of License  
5 Pursuant to 13 KAR 1:020”, November 2009:  
6 (k) “Licensure Compliance Reporting Manual”, September 8, 2009:  
7 (l) “Kentucky Licensure Fee Schedule”, November 2009:  
8 (2) This material may be inspected, copied, or obtained, subject to applicable copyright  
9 law, at the Kentucky Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320,  
10 Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.

11/6/09  
Date

Paul E. Patton  
Paul Patton, Chair  
Council on Postsecondary Education

APPROVED AS TO FORM:

11-6-09  
Date

Dennis L. Taulbee  
Dennis L. Taulbee, General Counsel  
Council on Postsecondary Education

REGULATORY IMPACT ANALYSIS  
AND TIERING STATEMENT

*Administrative Regulation 13 KAR 1:020. Private College Licensing*

Contact person: Sarah Levy  
Senior Associate, Academic Affairs  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601  
502.573.1555 ext. 350  
sarah.levy@ky.gov  
FAX: 502.573.1535

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation sets the standards and rules related to the licensing of private postsecondary education institutions, and proprietary postsecondary education institutions that are not licensed by the Board of Proprietary Education.
  - (b) The necessity of this administrative regulation: KRS 164.945 through 164.947 requires the Council on Postsecondary Education to license these institutions as a protection for Kentucky citizens and to protect bona fide institutions from those who engage in fraudulent practices, unfair competition, or substandard educational programs.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 164.947 requires that the Council on Postsecondary Education, by regulation, shall adopt standards and procedures for the licensing of colleges.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The administrative regulation sets out the standards institutions must meet in order to be licensed to operate in Kentucky. It also defines the process for new license applications, for amendments to licenses, and for license renewals and maintenance.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
  - (a) How the amendment will change this existing administrative regulation: The process for filing a license application is better defined in the changes; a physical presence as a basic requirement is articulated; the standards for licensure are updated to closely align

with the latest SACS accreditation requirements; the complaint procedures are updated and the process of appeal for an adverse licensing decision is clarified; requirements for data reporting are better established as an element of providing consumer information; and a fee structure is introduced.

- (b) The necessity of the amendment to this administrative regulation: This administrative regulation has not been updated since 1991. Since that time, numerous changes in accreditation standards have been introduced, and the entire field of distance learning has come into being. The complexity of the licensing issues requires a more detailed review than in the past, and this in turn requires additional staff; thus a fee structure is introduced.
  - (c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms exactly to the authorizing statute.
  - (d) How the amendment will assist in the effective administration of the statutes: The administrative regulation better organizes the different licensure requirements, and simplifies the reporting process.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are over 50 institutions licensed by the Council on Postsecondary Education. A number of individuals and firms have expressed interest in following the administrative regulation revisions of the Council. The primary impact is on institutions currently licensed by the Council, and on those new institutions who will seek licenses from the Council.
- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment: The improvements in the organization of the administrative regulation as well as the simplification of the information requirements in annual reporting should have a positive impact on the affected groups. The introduction of a new fee structure will be perceived by some institutions as negative, but will, in fact, have a positive impact by allowing us to upgrade the services we provide and thus to be more responsive to institutional requests for licensure.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: As in our budget request, we estimate that the cost to the Council on



Postsecondary Education will be about \$300,000. This includes \$274,200 for personnel costs, including staff salaries and fringes and professional services contracts with external consultants for site visits, and operating expenses of \$25,800 which includes postage, supplies, and travel. This number includes this regulation and 13 KAR 1:050.

(b) On a continuing basis: As in our budget request, we estimate once the annual fee is implemented in 2011 that revenue for the Council on Postsecondary Education will be no more than \$317,500. The estimate includes revenue from proposed fees, from state appropriations, and from colleges paying the costs of site visits. This number should be considerably less since we are now proposing the elimination of some fees originally proposed. This number is also based upon an estimate of how many new colleges will apply for licensure, which is uncertain. This number includes this regulation and 13 KAR 1:050.

- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: License fees, state appropriations to the Council, and reimbursement from colleges for costs of site visits.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Yes, new fees are introduced. The CPE has not charged fees before.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes. New fees are introduced for institutions seeking new licenses and an annual fee for already licensed colleges seeking maintenance and renewal of licenses.
- (9) TIERING: Is tiering applied? Tiering is applied. For example, in order to ease the burden on smaller, less complex institutions, the annual fee for maintenance of license/renewal of license is based upon the enrollment at an institution. Also, the annual fee is higher for a college that has been licensed for less than five years than for a college that has been licensed for five years or more. This is to account for staff time to observe the new college in terms of stable finances and operations, and provide extra consultation for the college as it learns and complies with licensure processes such as how to amend its license to add a new program and data reporting in the first few years of the college establishing itself in the state and getting through its first cohort of students. Having a lesser a fee after five years of

licensure may be an incentive for a college to take seriously its investment in and commitment to Kentucky students, and may help to assure that a college is not a fly by night operation that will leave the state and abandon students after a couple of years. Similarly, more staff time is needed to watch over a new college that may be issued a conditional license to monitor the college's progress toward satisfying the conditions of the license.

Also, in order to account for more complexity and staff time involved in consulting with and reviewing new out-of-state colleges seeking initial licensure, which may have multiple levels such as local, regional, and national levels in its organizational structure, the base fee is \$5,000; whereas for a new in-state college that seeks initial licensure, the base fee is \$1,000.

## **Fiscal Note on State or Local Government**

Regulation No. 13 KAR 1:020

Contact Person: Sarah Levy, 502.573.1555 ext. 350

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)? This involves the licensure of private colleges, which is done by the state government's Council on Postsecondary Education.
2. What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This involves the licensure of private colleges, which is done by the state government's Council on Postsecondary Education.
3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 164.020(37), 164.945, 164.946, 164.947, 164.992, 165A.320.
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
  - a. How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? As in our budget request, we estimate once the annual fee is implemented in 2011 that revenue for the Council on Postsecondary Education will be no more than \$300,000. The estimate includes revenue from proposed fees, from state appropriations, and from colleges paying the costs of site visits. This number should be considerably less since we are now proposing the elimination of some fees originally proposed. This number is also based upon an estimate of how many new colleges will apply for licensure, which is uncertain. This number includes this regulation and 13 KAR 1:050.
  - b. How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? As in our budget request, we estimate that revenue for the Council on Postsecondary Education will be no more than \$317,500. The estimate includes revenue from proposed fees, from state appropriations, and from colleges paying the costs of site visits. This number should be considerably less since we are now proposing the elimination of some fees originally proposed. This number is also based upon an estimate of how many new colleges will apply for licensure, which is uncertain. This number includes this regulation and 13 KAR 1:050.

- c. How much will it cost to administer this program for the first year? As in our budget request, we estimate that the cost to the Council on Postsecondary Education will be about \$300,000. This includes \$274,200 for personnel costs, including staff salaries and fringes and professional services contracts with external consultants for site visits, and operating expenses of \$25,800 which includes postage, supplies, and travel. This number includes this regulation and 13 KAR 1:050.
- d. How much will it cost to administer this program for subsequent years? As in our budget request, we estimate that the cost to the Council on Postsecondary Education will be about \$317,500 for 2011-2012, and likely to increase each subsequent year. This includes \$290,100 for personnel costs, including staff salaries and fringes and professional services contracts with external consultants for site visits, and operating expenses of \$27,400 which includes postage, supplies, and travel. This number includes this regulation and 13 KAR 1:050.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): estimate no more than \$300,000 first year, no more than \$317,500 for 2011-2012, and similar amounts for subsequent years.

Expenditures (+/-): estimate approximately \$300,000 first year, \$317,500 for 2011-2012, and similar costs for subsequent years.

Other Explanation:



### **Summary of Material Incorporated by Reference**

1. The "Application for Licensure as an In-State, Non-Public Institution to Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020", November 2009, is the 15-page licensure application form that in-state colleges are required to file to seek licensure from the Council on Postsecondary Education prior to operating or soliciting in Kentucky.
2. The "Application for Licensure as an Out-of-State Institution to Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020", November 2009, is the 15-page licensure application form that out-of-state colleges are required to file to seek licensure from the Council on Postsecondary Education prior to operating or soliciting in Kentucky.
3. The "Supplementary Application for Change of Name of Institution pursuant to 13 KAR 1:020", November 2009, is the 1-page licensure application form that an already licensed college is required to file when the college proposes a change to name of the college.
4. The "Supplementary Application for Change of Location of Principal Location of a College or Location of a Licensed Instructional Site in Kentucky pursuant to 13 KAR 1:020", November 2009, is the 2-page licensure application form that an already licensed college is required to file when the college proposes to change the principal location of a college or the location of a licensed instructional site in Kentucky.
5. The "Supplementary Application for Change of Ownership or Governance pursuant to 13 KAR 1:020", November 2009, is the 3-page licensure application form that an already licensed college is required to file when the college proposes to change the ownership or governance of the college.
6. The "Supplementary Application to Operate as an Out-of-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020", November 2009, is the 2-page licensure application form that an already licensed out-of-state college is required to file when the college proposes to offer an additional certificate, diploma, degree program, major, or other concentration or specialty.
7. The "Supplementary Application to Operate as an In-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020", November 2009, is the 3-page licensure application form that an already licensed in-state college is required to file when the college proposes to offer an additional certificate, diploma, degree program, major, or other concentration or specialty, or proposes to establish a new off-campus site.
8. The "Supplementary Application for Administrative Site, Recruitment Office, or Advising Center pursuant to 13 KAR 1:020", November 2009, is the 2-page licensure application form that an already licensed college is required to file when the college proposes to establish an administrative site, recruitment office, or advising center in Kentucky, or change the location of an already licensed administrative site, recruitment office, or advising center in Kentucky, where the site, office, or center is not part of a licensed instructional site or proposed instructional site for which the college is seeking licensure.

9. The "Supplementary Application for Notification of Change in Accreditation or Licensure Status pursuant to 13 KAR 1:020", November 2009, is the 1-page licensure form that an already licensed college is required to file following action by an accrediting or licensing agency that results in the college being placed in a probationary status, losing accreditation or licensure, or being denied accreditation or licensure.
10. The "Application for Annual Maintenance of License or for Renewal of License Pursuant to 13 KAR 1:020", November 2009, is the 5-page licensure form that an already licensed college is required to file to in order to annually maintain or renew its license.
11. The "Licensure Compliance Reporting Manual", September 8, 2009, is the 56-page licensure document that an already licensed college is required to follow in submitting data.
12. The "Kentucky Licensure Fee Schedule", November 2009, is the 3-page licensure document that sets forth the fees that the Council on Postsecondary Education will assess and colleges shall pay for licensure.